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HOUSE BILL 906

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Richard D. Vigil

AN ACT

RELATING TO PUBLIC EMPLOYEES RETIREMENT; EXPANDING THE TYPES OF
COOPERATIVE WORK STUDY TRAINING PROGRAMS FOR WHICH SERVICE
CREDIT MAY BE PURCHASED.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-11-7 NMSA 1978 (being Laws 1987,
Chapter 253, Section 7, as amended) is amended to read:

"10-11-7. CREDITED SERVICE--PURCHASE OF SERVICE.--

A. A member who entered a uniformed service of the
United States may purchase service credit for periods of active
duty in the uniformed services subject to the following
conditions:

(1) the member pays the association the
purchase cost determined according to Subsection E of this
section;

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1 (2) the member has five or more years of
2 service credit acquired as a result of personal service
3 rendered in the employ of an affiliated public employer;

4 (3) the aggregate amount of service credit
5 purchased pursuant to this subsection does not exceed five
6 years reduced by any period of service credit acquired for
7 military service pursuant to any other provision of the Public
8 Employees Retirement Act;

9 (4) service credit may not be purchased for
10 periods of service in the uniformed services that are used to
11 obtain or increase a benefit from another retirement program;
12 and

13 (5) the member must not have received a
14 discharge or separation from uniformed service under other than
15 honorable conditions.

16 B. A member who was a civilian prisoner of war
17 captured while in service to the United States as an employee
18 of the federal government or as an employee of a contractor
19 with the federal government may purchase service credit for the
20 period of internment as a civilian prisoner of war, provided
21 that:

22 (1) the member provides proof of employment
23 with the federal government or as a contractor to the federal
24 government in a form acceptable to the association;

25 (2) the member provides proof of the period of

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1 internment in a form acceptable to the association;

2 (3) the member has at least five years of
3 service credit acquired as a result of personal service
4 rendered in the employ of an affiliated public employer;

5 (4) the aggregate amount of service credit
6 purchased pursuant to this subsection does not exceed five
7 years reduced by any period of service credit acquired for
8 military service pursuant to any other provision of the Public
9 Employees Retirement Act;

10 (5) service credit may not be purchased for
11 periods of service in internment as a civilian prisoner of war
12 if such periods are used to obtain or increase a benefit from
13 another retirement program; and

14 (6) the member pays the association the
15 purchase cost determined according to Subsection E of this
16 section.

17 C. A member who was employed by a utility company,
18 library, museum, transit company or nonprofit organization
19 administering federally funded public service programs, which
20 utility company, library, museum, transit company or nonprofit
21 organization administering federally funded public service
22 programs or federally funded public service programs
23 administered by a nonprofit organization are subsequently taken
24 over by an affiliated public employer, or a member who was
25 employed by an entity created pursuant to a joint powers

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1 agreement between two or more affiliated public employers for
2 the purpose of administering or providing drug or alcohol
3 addiction treatment services irrespective of whether the entity
4 is subsequently taken over by an affiliated public employer,
5 may purchase credited service for the period of employment
6 subject to the following conditions:

7 (1) the member pays the association the
8 purchase cost determined according to Subsection E of this
9 section;

10 (2) the member has five or more years of
11 credited service acquired as a result of personal service
12 rendered in the employ of an affiliated public employer; and

13 (3) the aggregate amount of credited service
14 purchased pursuant to this subsection does not exceed five
15 years.

16 D. A member who was appointed to participate in a
17 cooperative work study training program established jointly by
18 [~~the state highway and transportation department and the~~
19 ~~university of New Mexico or New Mexico state university~~] a
20 state agency and a state post-secondary educational institution
21 may purchase credited service for the period of participation
22 subject to the following conditions:

23 (1) the member pays the association the
24 purchase cost determined according to Subsection E of this
25 section;

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1 (2) the member has five or more years of
2 credited service acquired as a result of personal service
3 rendered in the employ of an affiliated public employer; and

4 (3) the aggregate amount of credited service
5 purchased pursuant to this subsection does not exceed five
6 years.

7 E. Except for service to be used under a state
8 legislator coverage plan, the purchase cost for each month of
9 credited service purchased pursuant to the provisions of this
10 section is equal to the member's final average salary
11 multiplied by the sum of the member contribution rate and
12 employer contribution rate, determined in accordance with the
13 coverage plan applicable to the member at the time of the
14 written election to purchase. The purchase cost for each year
15 of credited service to be used under a state legislator
16 coverage plan is equal to three times the normal member
17 contribution per year of credited service under the state
18 legislator coverage plan applicable to the member. Full
19 payment shall be made in a single lump sum within sixty days of
20 the date the member is informed of the amount of the payment.
21 The portion of the purchase cost derived from the employer
22 contribution rate shall be credited to the employer's
23 accumulation fund and shall not be paid out of the association
24 in the event of cessation of membership. In no case shall a
25 member be credited with a month of service for less than the

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1 purchase cost as defined in this section.

2 F. A member shall be refunded, upon written request
3 filed with the association, the portion of the purchase cost of
4 credited service purchased pursuant to this section that the
5 association determines to have been unnecessary to provide the
6 member with the maximum pension applicable to the member. The
7 association shall not pay interest on the portion of the
8 purchase cost refunded to the member.

9 G. A member of the magistrate retirement system
10 who during [~~his~~] the member's service as a magistrate was
11 eligible to become a member of the public employees
12 retirement system and elected not to become a member of that
13 system may purchase service credit pursuant to the public
14 employees retirement system for the period for which the
15 magistrate elected not to become a public employees
16 retirement system member, by paying the amount of the
17 increase in the actuarial present value of the magistrate
18 pension as a consequence of the purchase as determined by the
19 association. Full payment shall be made in a single lump-sum
20 amount in accordance with procedures established by the
21 retirement board. Except as provided in Subsection F of this
22 section, seventy-five percent of the purchase cost shall be
23 considered to be employer contributions and shall not be
24 refunded to the member in the event of cessation of
25 membership.

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